

New Zealand ETS review 2015/16 consultation

Copy of your submission



1. Do you agree with the drivers for the review?

Answer 1: Yes

2. What other factors should the Government be considering in this NZ ETS review?

Answer 2:

It should consider including Agriculture using the new VCS Accounting Systems developed by the World Bank. Considering this is an uncapped scheme It should also consider mandating CSR as in the EU, which would require Processors to set there own mitigation targets and report on environmental impact of supply chain activities. Environmental impact reporting should also be introduced at the Stock Exchange Level. This then creates a self-regulating emissions reduction system in which the processor becomes the main driver.

9. Do you consider the future cost of emissions in your business planning?

Answer 9: No

9A. Please explain your answer: I am a student

page 2

10. What would improve your ability to take into account the future cost of emissions in your business planning?

Answer 10: Knowing what the price of NZUs will be over time.

11. Under what conditions should free allocation rates start to be reduced after 2020?

Answer 11:

This should match our trading partners or else it will create competitive advantage which they will block.

12. What impact would it have on your investment decisions over the next few years if there was a clear pathway or criteria for phasing out of free allocation after 2020?

Answer 12:

For those currently protected industries it would finally force them to look at mitigation, which is the whole purpose of the ETS. It is not a tax and its objectives are not financial

13. How does the carbon price impact your forestry investment decision-making?

Answer 13:

In my studies I have identified the scientific conclusions that. 1) Forestry is not a reliable and consistent measure of sequestration. Trees take up to 5 years to recover from drought so during this time they are sequestering far less that under normal circumstances. 2). Because of climate change the existing forests may have to be replaced with short, drought resistant plants.

Forestry investment is not a solution and I will not recommend any increase in investment.

14. Are there opportunities for the NZ ETS to increase incentives for forestry investments, outside of NZU price?

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Answer 14: Yes

15. What are your reasons for the above answer?

Answer 15:

If planting trees was included in the on-farm mitigation as part of the VCS used for Agriculture

16. If international units are eligible for NZ ETS compliance in the 2020s, should any of the following restrictions be placed on their use?

Answer 16: c) other

16A. Please explain your answer:

If Mitigation is really the objective and the NZ Government truly wants to take action on climate change I believe that Domestic Units must be sold first and foremost. International units should only be able to be purchased when all NZUs are exhausted. The objective is to encourage mitigation in New Zealand first and foremost.

17. Should auctioning be introduced in the NZ ETS?

Answer 17: No

17A. Please explain your answer:

This is not a tax or an auction. The government should regulate the price, volume and recipients. The purpose is mitigation not economic

18. What should be the role or purpose of an auctioning function in the NZ ETS, if one were introduced?

Answer 18: b) to more actively manage NZU prices

18A. Please explain your answer: As above the government should regulate the price, volume and recipients.

page 3

19. How should auctioned NZUs relate to other sources of unit supply in the NZ ETS, especially NZUs generated through forestry removals and / or international units?

Answer 19:

Again the government should regulate the price, volume and recipients. International units should only be available once all NZUs are exhausted.

20. What impact has carbon price volatility in the NZ ETS had on your business?

Answer 20: a) minor

20A. Please explain your answer:

At the moment very little impact as the flood of fraudulent credits that the government has been buying has kept the price so low that the whole thing is largely being ignored by businesses.

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21. Do you think measures should be in place to manage price stability?

Answer 21: Yes

21A. Please explain your answer:

The government should regulate the price, volume and recipients with a view to achieving the objective of the act.
Mitigation

22. What do you consider are important factors for managing price stability?

Answer 22: c) other

22A. Please explain your answer: The government should regulate the price, volume and recipients

23. What should the Government consider when managing price stability?

Answer 23:

The government should consider the PURPOSE OF THE ACT and manage pricing in a way that promotes LOCAL MITIGATION

24. Are you aware of ways the administrative efficiency of the NZ ETS could be improved?

Answer 24: Yes

25. Can you provide further information to support your answer?

Answer 25:

Yes if Agriculture were to be included then the adoption of the VCS sustainable agricultural land management (SALM) carbon accounting methodology for sequestering carbon in soil, as developed by the World Bank.

26. Are there any barriers or market failures that will prevent the efficient uptake of opportunities and technologies for reducing emissions?

Answer 26:

Yes, the government is the main barrier. This is about local MITIGATION not economics. We have to make the economics fit the objective, not the other way around.

27. If so, is there a role for the Government in addressing these barriers or market failures and how should it do this?

Answer 27:

Again the government should regulate the price, volume and recipients. International units should only be available once all NZUs are exhausted.

28. Please comment here

Answer 28:

It is my view that government must change its thinking. Again this is about mitigation not economics. If we just treat

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this as an accounting exercise (as a way to avoid action) then our children will suffer the sever consequences of our inaction.

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